



Announcement of Decision by Houlihan Lokey, Inc. to Conduct Demand for Cash-Out of Shares of GCA Corporation (Code: 2174), Approval of Such Demand, and Delisting of Shares

Tokyo, Japan, October 11, 2021 — Leading international M&A advisory firm GCA Corporation (TSE:2174) (the “Company”) hereby announces that Houlihan Lokey, Inc. (the “Houlihan Lokey” or the “Special Controlling Shareholder”) acquired 90.01% of the number of voting rights of all shareholders of the Company (the “ownership ratio” (Note 2)), as a result of the tender offer (the “Tender Offer”) for the Company’s common shares (the “Shares”) and the Stock Options (Note 1) conducted by Houlihan Lokey since August 4, 2021 and of the exercise of the Stock Options acquired through the Tender Offer, as announced by the “Announcement of Results of Tender Offer for Shares Certificates, Etc. of GCA Corporation (Code: 2174) by Houlihan Lokey, Inc., and Changes in Parent Company and Major Shareholder” dated September 28, 2021, and resultingly, Houlihan Lokey became the Special Controlling Shareholder of the Company as provided for in Article 179, Paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended).

Today, the Company received from Houlihan Lokey a notice stating that Houlihan Lokey would request all of the shareholders of the Company (excluding the Company and Houlihan Lokey; the “Shareholders Subject to Cash-Out”) to sell all of their Shares (the “Shares Subject to Cash-Out”) to Houlihan Lokey (the “Demand for Share Cash-Out”) pursuant to Article 179, Paragraph (1) of the Companies Act, as part of the transactions for the purpose of acquiring all of the Shares and the Stock Options and making the Company a wholly owned subsidiary of Houlihan Lokey (the “Transactions”), as described in “(5) Policy of Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” of “3. Contents, Basis and Reasons of Opinion Concerning Tender Offer” of the Company’s press release titled “Announcement of Opinion to Endorse Tender Offer for Our Shares, Etc. by Houlihan Lokey, Inc. and Recommendation for Our Shareholders to Tender Their Shares in Tender Offer” dated August 3 (including the amendments stated in the “(Amendments) Announcement of Partial Amendments to ‘Announcement of Opinion to Endorse Tender Offer for Our Shares, Etc. by Houlihan Lokey, Inc. and Recommendation for Our Shareholders to Tender Their Shares in Tender Offer’” dated September 9, 2021; the “Press Release to Express Opinions”), since Houlihan Lokey could not acquire all of the Shares in the Tender Offer, although Houlihan Lokey became the holder of more than 90% of the number of voting rights of all shareholders of the Company as a result of the Tender Offer and the exercise of the Stock Options acquired in the Tender Offer and then became the Special Controlling Shareholder of the Company. According to Houlihan Lokey, although the Company has issued the Stock Options, the Stock Options are not subject to the Demand for Share Cash-Out because there is no other party who holds the Stock Options other than Houlihan Lokey.

The Company hereby announces as follows, as the Company resolved to approve the Demand for Share Cash-Out by a resolution adopted pursuant to Article 370 of the Companies Act (a written resolution in lieu of the resolution at a board of directors meeting) in response to such notice.

As a result, the Shares will fall under the delisting criteria of Tokyo Stock Exchange, Inc. (the

“TSE”), and will be designated as “delisted issues” from today until November 1, 2021 and then delisted as of November 2, 2021. The Company hereby also announces that after the delisting, the Shares will no longer be able to be traded on the First Section of the TSE.

- (Note 1) The term “Stock Options” refers collectively to the following stock options:
- (I) Series 7 Stock Options issued based on the resolution at the Board Meeting on May 1, 2013 (Exercise Period: From April 1, 2014 to March 31, 2023)
 - (II) Series 8 Stock Options issued based on the resolution at the Board Meeting of May 1, 2013 (Exercise Period: From April 1, 2014 to March 31, 2023)
 - (III) Series 9 Stock Options issued based on the resolution at the Board Meeting on February 20, 2014 (Exercise Period: From April 1, 2015 to March 31, 2024)
 - (IV) Series 10 Stock Options issued based on the resolution at the Board Meeting of February 20, 2014 (Exercise Period: From April 1, 2015 to March 31, 2024)
 - (V) RSU-1 Stock Options issued based on the resolution at the Board Meeting on February 23, 2016 (Exercise Period: From February 23, 2017 to March 8, 2026)
 - (VI) RSU-3 Stock Options issued based on the resolution at the Board Meeting on September 23, 2016 (Exercise Period: From February 23, 2017 to March 8, 2026)
 - (VII) RSU-4 Stock Options issued based on the resolution at the Board Meeting on May 12, 2017 (Exercise Period: From February 23, 2018 to March 8, 2027)
 - (VIII) RSU-5 Stock Options issued based on the resolution at the Board Meeting on June 18, 2018 (Exercise Period: From February 23, 2019 to March 8, 2028)

(Note 2) The “ownership ratio” herein means the ratio (rounded to two decimal places) to the number of voting rights (473,103) pertaining to the number (47,310,300 shares) obtained by deducting (i) the number of treasury stock held by the Company as of September 30, 2021 (1,259 shares) from (ii) the number of total outstanding shares of the Company as of today (47,311,559 shares). The same applies hereunder.

1. Outline of Demand for Share Cash-Out

(1) Outline of Special Controlling Shareholder

(1) Name	Houlihan Lokey, Inc.
(2) Address	251 Little Falls Drive, Wilmington, New Castle County, Delaware, USA (The above place is the registered location of the Special Controlling Shareholder’s head office, and the actual business operations are conducted at the headquarters in California, the United States)
(3) Name and Title of Representative	Chief Executive Officer Scott L. Beiser
(4) Description of Business	M&A, capital markets, financial restructurings, and financial and valuation advisory services
(5) Capital Amount	US\$803,573,000 (As of March 31, 2021)
(6) Date of Incorporation	1972

(7) Major Shareholders and Shareholding Ratio	Class A Shares (As of March 31, 2021)	
	The Vanguard Group, Inc.	9.9%
	Black Rock Fund Advisors	7.4%
	EARNEST Partners, LLC	7.2%
	Kayne Anderson Rudnick Investment Management, LLC	6.1%
	Class B shares (As of June 30, 2021)	
	Houlihan Lokey Voting Trust	100%
(8) Relationship between the Company and the Special Controlling Shareholder		
Capital Relationship	As of today, Houlihan Lokey owns 42,587,660 shares of the Company (Ownership Ratio: 90.01%)	
Personal Relationship	N/A	
Business Relationship	N/A	
Whether or not to fall under related parties	Houlihan Lokey is the parent company of the Company and falls under a related party of the Company.	

(2) Schedule for Demand for Share Cash-Out

Date of Demand for Cash-Out	October 11, 2021 (Monday)
Date of Resolution of the Board Meeting of the Company	October 11, 2021 (Monday)
Last Trading Day	November 1, 2021 (Monday) (Scheduled)
Date of Delisting	November 2, 2021 (Tuesday) (Scheduled)
Date of Acquisition	November 5, 2021 (Friday) (Scheduled)

(3) Consideration for Cash-Out

JPY1,398 per share of common stock

2. Details of Demand for Share Cash-Out

The Company received from Houlihan Lokey today a notice stating that Houlihan Lokey would make the Demand for Share Cash-Out. The details of such notice are as follows.

- (1) When choosing not to make a Demand for Share Cash-Out to a Wholly Owned Subsidiary Corporation of the Special Controlling Shareholder, to that effect and the name of such Wholly Owned Subsidiary Corporation of the Special Controlling Shareholder (Article 179-2, Paragraph (1), Item (i)):

Not applicable

- (2) Amount of money to be delivered to the Shareholders Subject to Cash-Out as the value for the Shares Subject to Cash-Out and matters related to allotment of such money (Article 179-2, Paragraph (1), Items (ii) and (iii)):

Houlihan Lokey will pay to the Shareholders Subject to Cash-Out JPY1,398 per share of the Shares Subject to Cash-Out held by each of such shareholders as the consideration for the Shares Subject to Cash-Out (the “Consideration for Share Cash-Out”).

- (3) Matters concerning the demand for stock option cash-out (Article 179-2, Paragraph (1), Item (iv))

Not applicable

- (4) Date on which the Special Controlling Shareholder acquires the Shares Subject to Cash-Out (the “Acquisition Date”) (Article 179-2, Paragraph (1), Item (v)):

November 5, 2021

- (5) Means of securing funds for the payment of the Consideration for Share Cash-Out (Article 179-2, Paragraph (1), Item (vi); Article 33-5, Paragraph (1), Item (i) of the Regulation for Enforcement of the Companies Act):

Houlihan Lokey is planning to pay the Consideration for Share Cash-Out with the funds from its cash and deposits.

- (6) Other terms for the Demand for Share Cash-Out (Article 179-2, Paragraph (1), Item (vi); Article 33-5, Paragraph (1), Item (ii) of the Regulation for Enforcement of the Companies Act):

The Consideration for Share Cash-Out shall be delivered within a reasonable period of time after the Acquisition Date at the address of the Shareholders Subject to Cash-Out entered or recorded in the Company’s final shareholders register as of the day immediately preceding the Acquisition Date or at any place notified to the Company by such shareholders, by such method as is similar to the method of delivery of dividend property by the Company. If delivery by such method is not possible, the Consideration for Share Cash-Out shall be paid to the Shareholders Subject to Cash-Out in such manner as is designated by the Company at the head office of the Company (or, if there is any other place and method designated by Houlihan Lokey for delivery of the Consideration for Share Cash-Out, at such place and by such method).

3. Basis and Reasons, Etc. of Determination for Approval of Demand for Share Cash-Out

- (1) Basis and Reasons of Determination for Approval

The Demand for Share Cash-Out is conducted as part of the Transactions, and the Consideration for Share Cash-Out is set at the same price as the purchase price per share of the Shares (the “TOB Price”) in the Tender Offer.

The Company resolved at a meeting of its board of directors held on August 3, 2021 to express its opinion to endorse the Tender Offer and to recommend our shareholders and the holders of the Stock Options to tender their shares and stock options in the Tender Offer based on the following reasons and under the following circumstances, as described in “(II) Background, Purposes, and Decision-Making Process behind the Implementation by the Offeror of the Tender Offer” and “(IV) Background, Purpose, and Decision-Making Process of the Company

to Endorse the Tender Offer” of “(2) Basis and Reasons for Opinion Concerning Tender Offer” of “3. Contents, Basis and Reasons of Opinion Concerning Tender Offer” of the Press Release to Express Opinions”. Further, the Company resolved at a meeting of its board of directors held on September 9, 2021 to maintain its endorsement of the Tender Offer and its recommendation that our shareholders and the holders of the Stock Options tender their shares and Stock Options in the Tender Offer, which was resolved at the meeting of its board of directors held on August 3, 2021. Please note that each of the above-mentioned resolutions at the board of directors meetings was adopted by the method set out in “(IV) Approval of All Company Directors (Including Audit Committee Members) Not Having a Conflict of Interest” of “(4) Measures for Ensuring the Fairness and Avoiding Conflicts of Interest” below.

On May 21, 2021, the Company received a non-legally binding proposal from Houlihan Lokey, including a proposal to purchase all of the Shares at JPY1,200 per share, a price that took into account, among others, the results of initial stock value calculations including synergies expected from making the Company a wholly owned subsidiary, stock price trends and expectations for the business after making the Company a wholly owned subsidiary, and a plan for the establishment of a 60-day exclusivity period for the purpose of completing due diligence and executing definitive agreements (the “Initial Proposal”), and in reviewing the Initial Proposal and in proceeding with discussions with Houlihan Lokey, the Company appointed Morrison & Foerster as its legal advisor independent of the Company, Houlihan Lokey and the Tendering Directors (Note 1) in early June 2021, as described in “(ii) Seeking Advice from an Independent Law Firm by the Company” of “(4) Measures for Ensuring the Fairness and Avoiding Conflicts of Interest” below. Further, with the advice of such firm, the Company has established a project team to consider the Tender Offer as described in “(iii) Establishment of an independent review team at the Company” of “(4) Measures for Ensuring the Fairness and Avoiding Conflicts of Interest” below. In addition, in late June 2021, the Company appointed Mitsubishi UFJ Morgan Stanley Securities (“Mitsubishi UFJ Morgan Stanley Securities”) as a financial advisor and third-party appraiser independent of the Company, Houlihan Lokey and the Tendering Directors; in late July 2021, the Company appointed Plutus Consulting Co., Ltd. (“Plutus”) as a third-party appraiser independent of the Company, Houlihan Lokey and the Tendering Directors; the Company requested Mitsubishi UFJ Morgan Stanley Securities, a third-party appraiser, to submit a share valuation report on the Shares (“MUMSS Valuation Report”); and the Company requested Plutus, a third-party appraiser, to submit a share valuation report on the Shares (“Plutus Valuation Report”) as well as an opinion to the effect that the price of the Shares in the Transactions before the Revision of TOB Terms (as defined below) (the “Transaction Price”) is not disadvantageous and is fair to the Company’s minority shareholders from a financial point of view (“Fairness Opinion”).

(Note 1) In conducting the Tender Offer, Houlihan Lokey has entered into a Tender Offer Support Agreement (the “Tender Offer Support Agreement”) on August 3, 2021 with certain directors of the Company who hold the Shares or the Stock Options (the “Tendering Directors”), respectively, to the effect that the Tendering Directors will tender the Shares or the Stock Options (the Shares and the Stock Options to be tendered pursuant to the Tender Offer Support Agreement, collectively, “Tendering Directors’ Shares, Etc.”) The number of shares pertaining to the Tendering Directors’ Shares, Etc. herein refers to the number of shares including potential shares reflecting the number of shares issuable upon exercise of stock options, unless

otherwise specified.). “Tendering Directors” means the directors of the Company who entered into the Tender Offer Support Agreement with Houlihan Lokey, and the Tendering Directors means Mr. Akihiro Watanabe (the number of owned shares: 3,853,900; the number of owned stock options: 121,464; the ownership ratio (Note 2): 8.05%), Mr. Todd J. Carter (the number of owned shares: 1,591,489; the number of owned stock options: 261,189; the ownership ratio: 3.75%), Mr. Geoffrey D. Baldwin (the number of owned shares: 377,313; the number of owned stock options: 271,486; the ownership ratio: 1.31%), Mr. Phil Adams (the number of owned shares: 732,660; the number of owned stock options: 59,982; the ownership ratio: 1.61%), Mr. Sascha Pfeiffer (the number of owned shares: 1,055,661; the number of owned stock options: 59,983; the ownership ratio: 2.26%), Mr. Alexander M. Grünwald (the number of owned shares: 1,178,575; the number of owned stock options: 59,983; the ownership ratio: 2.51%), Ms. Ritsuko Nonomiya (the number of owned shares: 0; the number of owned stock options: 140,685; the ownership ratio: 0.42%), Mr. John F. Lambros (the number of owned shares: 85,981; the number of owned stock options: 167,014; the ownership ratio: 0.51%) and Mr. Akikazu Ida (the number of owned shares: 72,500; the number of owned stock options: 82,500; the ownership ratio: 0.31%), individually or collectively. The ownership ratio represented by the Shares included in the Tendering Directors’ Shares, Etc. equals to 18.12%, and the ownership ratio represented by the Stock Options included in the Tendering Directors’ Shares, Etc. equals to 2.62%. The number of the Shares held, the number of the Stock Options held and the ownership ratio are the figures as of the date of the announcement of the Tender Offer (August 3, 2021). For details of the Tender Offer Support Agreement, please see “(II) Tender Offer Support Agreement” in “4. Material Agreements Concerning the Tender Offer” of the Press Release to Express Opinions.

(Note 2) The “ownership ratio” herein means the ratio (rounded to two decimal places) to the number (49,382,808 shares) (the “Total Number of Diluted Shares After Consideration of Dilutive Shares”) obtained by deducting (i) the number of shares issuable (1,254,048 shares) upon exercise of the Stock Options that the Company resolved to cancel at the Board of Directors meeting held on August 3, 2021 (1,203,609 units) from (ii) the number of shares of the Company (50,636,856 shares) obtained by adding (x) the number of total outstanding common shares of the Company as of June 30, 2021 (44,755,153 shares) described in the Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year 2021 (IFRS; consolidated) disclosed by the Company on August 3, 2021 (the “Summary of Financial Results”) and (y) the number of underlying shares (5,881,703 shares) of all outstanding Stock Options (5,373,415 units) as of June 30, 2021. The same applies hereunder. The Company holds no treasury stock as of June 30, 2021 and the date hereof.

The Company carefully considered the pros and cons of the Transaction and the appropriateness of the terms and conditions of the Transaction after several rounds of discussions and examinations with Houlihan Lokey, taking into account the outline of the Tender Offer including the purpose of the Transaction, the impact of the Transaction on the Company, the content of the management policy after the Transaction and the current stock

price trend of the Company. In doing so, the Company received a report from Mitsubishi UFJ Morgan Stanley Securities on the results of the valuation of the Shares, advice on the negotiation policy with Houlihan Lokey and other advice from a financial point of view, as well as guidance on measures to ensure the fairness of the procedures in the Transaction and other legal advice from Morrison & Foerster.

Specifically, Houlihan Lokey's and the Company's negotiations of the TOB price per share took into account, among other factors: the increase, starting in early July, 2021, in the stock price of the Shares; the competitive of the premium paid as compared to the premiums paid in tender offers through which bidders made the Company their wholly owned subsidiaries; whether or not the proposed terms of the TOB could be supported by the Company's Board of Directors; the prospects of the TOB with respect to the number of shares tendered; and strength of the Company's current business performance and having exceeding prospected performance. On July 14, 2021, Houlihan Lokey increased its proposed price to JPY1,350 per share. On July 29, 2021, the Company again requested an upward revision in price explaining that the Company's business performance had continued to strengthen and that the Company might further revise its consolidated earnings forecast announced by the Company in the "FY2021 Upward Revised Earning Forecast" announcement on June 2, 2021. Houlihan Lokey and the Company held further negotiations taking such revision into account, and ultimately, it was agreed between Houlihan Lokey and the Company that an offer price of JPY1,380 per share would represent an appropriate valuation and premium for the Shares. Houlihan Lokey intends to solicit tenders of the Stock Options in the TOB, and accordingly considered the price for purchase, etc. per Stock Option in the Tender Offer (the "Stock Option TOB Price") as well, and in early July 2021, Houlihan Lokey proposed to the Company to fix the Stock Option TOB Price as being equal to the difference between the Per Share TOB Price and the exercise price per share, which difference shall be multiplied by the number of shares issuable upon exercise of each stock option.

As a result of these discussions and negotiations: Houlihan Lokey and the Company reached a mutual understanding, based on the reasons outlined above, that a 100% acquisition of the Company, which would allow Houlihan Lokey to fully integrate the Company's business into Houlihan Lokey's business is critical to unlock the synergies between Houlihan Lokey and the Company, and accordingly would be the best way to improve the corporate value of the two companies; and on August 1, 2021, Houlihan Lokey and the Company agreed to fix the Per Share TOB Price (before the Revision of TOB Terms) as JPY1,380. On the same date, Houlihan Lokey and the Company agreed to fix the Stock Option TOB Price (before the Revision of TOB Terms) as being equal to the difference between the Per Share TOB Price (before the Revision of TOB Terms) and the exercise price per share, which difference shall be multiplied by the number of shares issuable upon exercise of each of the Stock Options. As a result, Houlihan Lokey made a determination to launch the TOB pursuant to resolutions adopted by Houlihan Lokey's Board of Directors at a meeting held on August 1, 2021.

Under the circumstances described above, the Board of Directors of the Company carefully discussed and deliberated at its meeting held on August 3, 2021 whether the Transactions including the Tender Offer would contribute to the enhancement of the corporate value of the Company and whether the terms and conditions of the Transactions including the Per Share TOB Price are appropriate, based on the legal advice received from Morrison & Foerster, the financial advice received from Mitsubishi UFJ Morgan Stanley Securities, the MUMSS

Valuation Report submitted on August 2, 2021, and the Plutus Valuation Report along with the Fairness Opinion, in each case, submitted by Plutus on August 2, 2021.

As a result, it was concluded that, as described below, the Company would be able to anticipate the creation of synergies by becoming a wholly owned subsidiary of Houlihan Lokey, which would contribute to the enhancement of the Company's corporate value.

The M&A advisory business, which is the main business of the Company, may have growth potential as the number of cross-border deals is expected to increase further in the future both in Japan, the U.S. and Europe. It is, however, also high cyclical and is an area of intense competition from large global investment banks and local M&A advisory firms in various countries. The M&A advisory business is difficult to predict because the M&A market is heavily influenced by economic and financial trends, and the market has repeatedly experienced booms and busts in the past. Although the Company has strength in the field of technology at present, it would be advantageous for the Company to conduct M&A with M&A advisory firms that are highly complementary to the Company in terms of the industries and regions in which the Company specializes and that have highly specialized professionals in order for the Company to achieve its goal of becoming the world's number one independent M&A advisory firm by achieving further growth and increasing its corporate value. This is why the Company has been pursuing and considering various M&A opportunities. Houlihan Lokey is a global investment bank with more than 1,100 professionals in 23 offices in 13 countries around the world, covering clients in a wide range of industries, mainly in the U.S. Houlihan Lokey has offices in Australia and the Middle East as well as in the U.S., Europe and Asia. The Company thought that the Company, having strength in Japan and Europe, and a strong presence in the US and Europe, focusing on the technology industry, and Houlihan Lokey having a strong presence in the U.S. and extensive customer coverage in non-technology industries, are highly complementary to each other and have the potential to generate significant synergies.

The primary synergies that the Company believes are feasible are as follows:

(A) Enhancing ability to win projects by expanding presence in the U.S.

Houlihan Lokey is a leading investment bank with an active presence in the U.S. market, and the addition of Houlihan Lokey's presence in the U.S. market, the world's largest M&A market, is expected to significantly enhance the Company's ability to develop deals in the U.S. In addition, the addition of Houlihan Lokey's achievements and credibility with customers and the market is expected to strengthen the relationship with customers at the Company and increase the number of projects accordingly.

(B) Increase in cross-border projects for Japanese companies by expanding industry coverage

The addition of Houlihan Lokey's broad industry coverage, including manufacturing, consumer goods, healthcare, business services, and financial sponsorship, is expected to significantly increase business opportunities related to cross-border M&A for leading Japanese companies, which is an area of strength for the Company.

(C) Increase in cross-border deals by expanding regional coverage

The addition of Houlihan Lokey's offices in Sydney, Hong Kong, and Dubai is expected to increase the number of potential M&A deals that can be proposed to the Company's

clients. In addition, the Company's direct access to buyer companies will be expanded globally, including in its European business, where the majority of its deals are on the seller side, which is expected to make the Company more competitive in acquiring deals on the seller side.

- (D) Establishment of a foundation for stable growth through diversification of business lines
- Houlihan Lokey has strengths in providing a variety of services such as capital raising, financial restructuring, and valuation, in addition to M&A advisory services, and is one of the best in the world at financial restructuring. The utilization of Houlihan Lokey's knowledge could contribute to the expansion of the Company's M&A advisory business and increase business opportunities during the economic downturn.

The Company determined that, based on the following and other factors, the Per Share TOB Price (before the Revision of TOB Terms) of JPY1,380 per share is a reasonable price that ensures the benefits to be enjoyed by the Company's general shareholders, and that the Tender Offer provides the Company's general shareholders with a reasonable opportunity to sell their shares at an appropriate premium.

- (i) The Per Share TOB Price has been agreed to by the Company as a result of thorough negotiations with Houlihan Lokey, with sufficient measures taken to ensure the fairness of the terms and conditions of the Transaction, including the TOB Price (before the Revision of TOB Terms) as described in "(6) Measures for Ensuring the Fairness of the TOB Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer" of "3. Contents, Basis and Reasons of Opinion Concerning Tender Offer" of the Press Release to Express Opinions.
- (ii) The Per Share TOB Price is higher than the results of the valuation of the Company's Shares by Mitsubishi UFJ Morgan Stanley Securities in the MUMSS Valuation Report obtained by the Company from Mitsubishi UFJ Morgan Stanley Securities, as described in "(I) Procuring Share Valuation Reports and Fairness Opinion from Independent Third-Party Valuation Agencies by the Company" in "(3) Matters Concerning Calculations" of "3. Contents, Basis and Reasons of Opinion Concerning Tender Offer" of the Press Release to Express Opinions, using the market price analysis and the comparable companies analysis, and is also within the range of the value calculated by the comparable companies method and the discounted cash flow analysis ("DCF analysis").
- (iii) The Per Share TOB Price is above the range of valuations based on the market price analysis and comparable companies analysis, and within the range of valuations based on the DCF analysis according to the results of valuation of the Shares by Plutus, which is in the Plutus Valuation Report as described in "(I) Procuring Share Valuation Reports and Fairness Opinion from Independent Third-Party Valuation Agencies by the Company" in "(3) Matters Concerning Calculations" of "3. Contents, Basis and Reasons of Opinion Concerning Tender Offer" of the Press Release to Express Opinions. Additionally, as described in "(II) Outline of Fairness Opinion" in "(3) Matters Concerning Calculations" of "3. Contents, Basis and Reasons of Opinion Concerning Tender Offer" of the Press Release to Express Opinions, Plutus issued an opinion to the effect that the Transaction Price (before the Revision of TOB Terms) is not disadvantageous and is fair to the Company's minority shareholders from a financial

point of view.

- (iv) The Per Share TOB Price represents a premium of 31.30% (The figures are rounded to the second decimal place. The same applies to the calculation of the premium rate below.) on the closing price of JPY1,051 of the Company's shares on the First Section of the Tokyo Stock Exchange on August 2, 2021, the business day immediately preceding the announcement of the Tender Offer, a premium of 28.85% on the simple average closing price of JPY1,071 for the most recent one month from August 2, 2021, a premium of 40.39% on the simple average closing price of JPY983 for the most recent three months from August 2, 2021, and a premium of 54.02% on the simple average closing price of JPY896 for the most recent six months from August 2, 2021. These premiums are comparable to the level of premiums in other tender offer cases for the purpose of making a wholly-owned subsidiary, and are considered to be a reasonable level.

The Company determined that the Tender Offer provides a reasonable opportunity to sell the Stock Options to the holders of the Stock Options of the Company, because the purchase price of the Stock Options (before the Revision of TOB Terms) is calculated based on the difference between the Per Share TOB Price (before the Revision of TOB Terms) and the exercise price per share of the Company for each Stock Option multiplied by the number of the Shares to be acquired upon exercise of each such Stock Option.

Based on the above, the Company determined that the Transaction would contribute to the enhancement of the Company's corporate value and that the terms and conditions of the Transaction, including the Per Share TOB Price (before the Revision of TOB Terms), are appropriate. The Company resolved at the meeting of its Board of Directors held on August 3, 2021 to express its opinion to endorse the Tender Offer and to recommend that the Company's shareholders and the holders of the Stock Options tender their shares or Stock Options in the Tender Offer.

Thereafter, on August 26, 2021, the Company recognized the possibility of a further upward revision of its consolidated earnings forecast for the current fiscal year from the level announced in the "FY2021 Upward Revised Earnings Forecast" dated August 3, 2021, mainly due to the fact that, as announced on September 9, 2021 in the "FY2021 Upward Revised Earnings Forecast" ("September 9 Press Release for Upward Revised Earnings Forecast") (i) the merger and acquisitions (M&A) advisory business is experiencing unprecedented activity levels (which the board of directors do not expect to continue), with the resulting upward pressure on the pricing of M&A advisory services, and (ii) several large projects, which the Company, at the time of its statement of its opinion regarding the Tender Offer on August 3, 2021, regarded as low probability have since been signed/concluded or the probability of success has increased and, therefore, the resultant probability of recording earnings from these large projects during FY2021 has increased. Based on the possibility of upward revision of the consolidated earnings forecast, which was the premise of the negotiations of the TOB Price (before the Revision of TOB Terms) and the Stock Option TOB Price conducted prior to the agreement reached on August 1, 2021, on September 1, 2021, the Company explained the possibility of upward revision of such earnings forecast to Houlihan Lokey and requested that, in the event of such upward revisions of its earnings forecast, Houlihan Lokey increase the TOB Price, and increase the Stock Option TOB Price (equal the difference between the increased TOB Price and the exercise price per share, such difference to be multiplied by the number of shares issuable upon exercise of each stock option), in order to reflect in the TOB Price the likely increase in net income/cash as a result of the upward revision to the Company's

earnings forecast, compared to the previous earning forecast for the current fiscal year announced on August 3, 2021 that was assumed at the time of the announcement of the Tender Offer, for the purposes of determining the TOB Price. Subsequently, on September 4, 2021, the Company proposed to Houlihan Lokey to increase the TOB Price from JPY1,380 to JPY1,398, and to increase the Stock Option TOB Price to equal the amount obtained by multiplying the difference between the TOB Price (after such increase) (JPY1,398) and the exercise price per share by the number of shares issuable upon exercise of each stock option, based on a close examination of the projected earnings figures, and based on the Company's and Houlihan Lokey's shared view that the increased TOB Price and Stock Option TOB price would provide the holders of the Company's shares and Stock Options with the benefit of the Company's financial performance during the current fiscal year, on September 9, 2021, Houlihan Lokey replied to the Company that it would accept the Company's said proposal. Then, based on the authorization by resolutions of its board of directors at a meeting held on September 5, 2021, Houlihan Lokey made a determination on September 9, 2021 to increase the TOB Price to JPY1,398, and to increase the Stock Option TOB Price to equal the amount obtained by multiplying the difference between the TOB Price (after such increase) (JPY1,398) and the exercise price per share by the number of shares issuable upon exercise of each stock option (the "Revision of TOB Terms"). In addition, in parallel with the negotiations with Houlihan Lokey, on September 2, 2021, the Company requested Plutus, the Company's third-party appraiser, to examine if the Fairness Opinion dated August 2, 2021 could be maintained as to whether the Transaction Price after the Revision of TOB Terms was reasonable and not disadvantageous from a financial point of view to the Company's minority shareholders, and thereafter on September 8, 2021, the Company received an opinion to the effect that it is possible to maintain the Fairness Opinion dated August 2, 2021 with respect to the Transaction Price after the Revision of TOB Terms. The upward revision to earnings forecast announced by the September 9 Press Release for Upward Revised Earnings Forecast is based on the Company's management's judgement based on the assumptions and outlook for the future available at present, including a review of the probability of success of the current pipeline of projects, in line with previous business forecasts, and subject to a certain degree of risk and uncertainty. Actual results may vary in the future due to a variety of factors, including the timing of revenue and expense recognition depending on the progress of M&A projects, tax estimates at global locations, and fluctuations in exchange rates.

In light of the circumstances described above, at a meeting of its board of directors held on September 9, 2021, the Company again carefully discussed and deliberated whether or not the Transactions including the Tender Offer would contribute to the enhancement of the corporate value of the Company and whether or not the terms and conditions of the Transactions including the TOB Price are appropriate, taking into consideration legal advice from Morrison & Foerster Law Offices, as its legal advisor, advice from a financial point of view from Mitsubishi UFJ Morgan Stanley Securities, as its financial advisor, the opinion received from Plutus, the Company's third-party appraiser, stating that it is possible to maintain the Fairness Opinion dated August 2, 2021 with respect to the Transaction Price after the Revision of TOB Terms, and the process of negotiations with Houlihan Lokey and the contents of the responses from Houlihan Lokey. As a result, the Company resolved to maintain its opinion to endorse the Tender Offer and its opinion to recommend our shareholders and the holders of the Stock Options to tender their shares and Stock Options in the Tender Offer, which was announced in the Press Release to Express Opinions dated August 3, 2021, because the Company has not changed its conclusion that becoming a wholly-owned subsidiary of

Houlihan Lokey is expected to create synergies and contribute to the enhancement of the corporate value of the Company and for the reasons, among others, that the TOB Price (after the Revision of TOB Terms) is a reasonable price, reflecting into the TOB Price (before the Revision of TOB Terms) the amount of JPY18 (which is rounded to the nearest decimal place) which is obtained by dividing (i) the likely increase in net income of JPY900 million for the current fiscal year, which is expected to increase as a result of the upward revision to the Company's earnings forecast, compared to the previous earning forecast for the current fiscal year announced on August 3, 2021 that was assumed at the time of the announcement of the Tender Offer, for the purposes of determining the TOB Price (prior to the Revision of TOB Terms) by (ii) the Total Number of Shares After Taking Potential Shares of the Company Into Consideration subject to the Tender Offer (49,382,808 shares), and would provide the holders of the Company's shares and Stock Options with the benefit of the Company's financial performance during the current fiscal year and that the outlook of the Company's business for the next fiscal year and beyond remains unchanged from the time when the Company expressed its opinion regarding the Tender Offer on August 3, 2021, and, therefore, the Company determined that the TOB Price and the Stock Option TOB Price (after the Revision of TOB Terms), which is calculated based on the difference between the TOB Price and the exercise price per share of the Shares for each Stock Option multiplied by the number of the Shares to be acquired upon exercise of each Stock Option, are appropriate and the Tender Offer continues to provide our shareholders and the holders of the Stock Options with a reasonable opportunity to sell the Shares and the Stock Options.

Thereafter, on September 28, 2021, the Company received a report from Houlihan Lokey regarding the results of the Tender Offer that 40,093,154 shares of the Company's shares, as well as 867,225 units of Series 7 Stock Options, 570,000 units of Series 8 Stock Options, 766,025 units of Series 9 Stock Options, 560,000 units of Series 10 Stock Options, 3,893 units of RSU-1 Stock Options, 490 units of RSU-3 Stock Options, 224,317 units of RSU-4 Stock Options and 903,364 units of RSU-5 Stock Options, total of which is more than the minimum number of shares to be purchased (32,921,900 shares), were tendered, and that the Tender Offer was successfully completed and Houlihan Lokey will acquire all of such shares, etc. Houlihan Lokey acquired 90.01% of the number of voting rights of all shareholders of the Company, as a result of the Tender Offer and of the exercise of the Stock Options acquired through the Tender Offer, and resultingly, Houlihan Lokey became the Special Controlling Shareholder of the Company.

Through these processes, on October 11, 2021, the Company received a notice from Houlihan Lokey that it will make the Demand for Share Cash-Out as part of the Transactions, as described in "(5) Policy of Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" of "3. Contents, Basis and Reasons of Opinion Concerning Tender Offer" of the Press Release to Express Opinions. Upon receipt of such notice, the Company carefully discussed and deliberated whether or not to approve the Demand for Share Cash-Out.

As a result, the Company has determined that the Demand for Share Cash-Out was made in consideration of the interests of the Shareholders Subject to Cash-Out and the terms and conditions of the Demand for Share Cash-Out are appropriate, and then the Company resolved today, by a resolution pursuant to Article 370 of the Companies Act, to approve the Demand for Share Cash-Out, as notified by Houlihan Lokey, in order to proceed with the Transactions to make the Company a wholly owned subsidiary of Houlihan Lokey, based on the results of

the following considerations, among other things: (i) while the Demand for Share Cash-Out will be made as part of the Transactions, the Company has determined that the Company becoming a wholly owned subsidiary of Houlihan Lokey through the Transactions would contribute to the enhancement of the corporate value of the Company, as resolved at the meetings of the Board of Directors of the Company held on August 3 and September 9, 2021, due to the background and reasons stated above, and no particular circumstances have arisen that should change such determination; (ii) as to the Consideration for Share Cash-Out which is the same price as the TOB Price, in determining such price, taking into account, among others, the measures taken to ensure the fairness of the Transactions as described in “(4) Measures for Ensuring the Fairness and Avoiding Conflicts of Interest” below, the Consideration for Share Cash-Out is considered to be a reasonable price for the Shareholders Subject to Cash-Out and sufficient care has been taken not to harm the interests of the Shareholders Subject to Cash-Out; (iii) the Company has received from Plutus as a third-party appraiser independent of the Company, Houlihan Lokey and the Tendering Directors, an opinion (Fairness Opinion) dated August 2, 2021 to the effect that the Transaction Price (before the Revision of TOB Terms) for the Transactions, including the Tender Offer and the Demand for Share Cash-Out, is not disadvantageous and is fair to the Company’s minority shareholders from a financial point of view, and thereafter on September 8, 2021, the Company received an opinion to the effect that it is possible to maintain the Fairness Opinion dated August 2, 2021 with respect to the Transaction Price after the Revision of TOB Terms (together with the Fairness Opinion, collectively the “Fairness Opinion, Etc.”); (iv) Houlihan Lokey plans to pay the Consideration for Share Cash-Out from its cash and deposits and, as of October 6, 2021, Houlihan Lokey owned cash deposited in bank accounts in an amount exceeding the amount of cash required for Houlihan Lokey to pay the Consideration for Share Cash-Out, as confirmed by a bank account balance certificate for Houlihan Lokey’s cash balance as of October 6, 2021, and also, according to Houlihan Lokey, as of October 6, 2021, no events that would adversely affect the payment of the Consideration for Share Cash-Out have taken place since then and Houlihan Lokey is not aware of any such events that may take place in the future, and therefore, it is believed that Houlihan Lokey’s readiness and means of securing funds for the payment of the Consideration for Share Cash-Out are appropriate and the payment of the Consideration for Share Cash-Out is expected; (v) the terms and conditions of the transaction pertaining to the Demand for Share Cash-Out are considered to be reasonable, as no issues were identified with respect to the payment period or method of payment of the Consideration for Share Cash-Out; and (vi) since the commencement date of the Tender Offer until today, there has been no material change in the corporate value of the Company.

(2) Matters Concerning Calculations

Since the Demand for Share Cash-Out is made as the second step of the so-called two-step acquisition after the Tender Offer and the Consideration for Share Cash-Out is the same price as the TOB Price, the Company has not obtained another valuation report or a fairness opinion when deciding to approve the Demand for Share Cash-Out.

(3) Prospects for Delisting

Although the Shares are currently listed on the First Section of the TSE as of today, as a result

of the approval of the Demand for Share Cash-Out, the Shares will fall under the delisting criteria of the TSE and will be designated as Securities to Be Delisted from today until November 1, 2021, and then delisted as of November 2, 2021. After the delisting, the Shares will no longer be traded on the First Section of the TSE.

(4) Measures for Ensuring the Fairness and Avoiding Conflicts of Interest

While the Demand for Share Cash-Out is made as the second step of the so-called two-step acquisition after the Tender Offer, Houlihan Lokey and the Company have taken the following measures, as described in “(6) Measures for Ensuring the Fairness of the TOB Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” of “3. Contents, Basis and Reasons of Opinion Concerning Tender Offer” of the Press Release to Express Opinions, in order to further enhance the fairness of the Transactions including the TOB Price. Of the following statements, those concerning the measures taken by Houlihan Lokey are based on the explanations received from Houlihan Lokey:

(I) Procuring Share Valuation Reports and Fairness Opinion from Independent Third-Party Valuation Agencies by the Company

As a measure to ensure fairness in considering the Per Share TOB Price (before the Revision of TOB Terms) presented by Houlihan Lokey and in expressing its opinion regarding the Tender Offer, the Company requested Mitsubishi UFJ Morgan Stanley Securities and Plutus, as third-party appraisers independent of the Company, Houlihan Lokey and the Tendering Directors, to calculate value the Shares, and requested Plutus to submit the Fairness Opinion. The Company obtained the MUMSS Valuation Report from Mitsubishi UFJ Morgan Stanley Securities as of August 2, 2021; and obtained the Plutus Valuation Report and the Fairness Opinion from Plutus as of August 2, 2021. In addition, the Company requested Plutus to examine if the August 2 Fairness Opinion could be maintained as to whether the Transaction Price after the Revision of TOB Terms was reasonable and not disadvantageous from a financial point of view to the Company’s minority shareholders, and thereafter on September 8, 2021, the Company received an opinion to the effect that it is possible to maintain the August 2 Fairness Opinion with respect to the Transaction Price after the Revision of TOB Terms.

Neither Mitsubishi UFJ Morgan Stanley Securities nor Plutus falls under the category of a related party of either the Company or Houlihan Lokey, and has any material interest in the Transactions including the Tender Offer. The compensation to be paid to Plutus in relation to the Transaction is a flat fee, which will be paid regardless of whether the Transaction is consummated, and does not include a contingent fee conditioned on the consummation of the Transaction, etc. For the MUMSS Valuation Report and the Plutus Valuation Report obtained by the Company, please see “(3) Matters Concerning Calculations” of the Press Release to Express Opinions.

(II) Seeking Advice from an Independent Law Firm by the Company

In early June 2021, the Company selected Morrison & Foerster as a legal advisor independent of the Company, Houlihan Lokey and Tendering Directors and has received legal advice from Morrison & Foerster regarding the decision-making process, decision-making methods, and other points to be considered in making decisions regarding the Transactions including the Tender Offer. Morrison & Foerster is not a related party of the Company and Houlihan Lokey, and does not have any material interest in the Transaction including the Tender Offer.

(III) Establishment of an independent review team at the Company

The Company has established a team within the Company to examine, negotiate, and make decisions regarding the Transaction from the perspective of improving the corporate value of the Company and securing the interests of the general shareholders of the Company from a standpoint independent of Houlihan Lokey. Specifically, promptly after receiving the initial proposal from Houlihan Lokey regarding the transaction to acquire the Shares, the Company set up a project team with Mr. Geoffrey D Baldwin, Mr. Phil Adams, and Ms. Ritsuko Nonomiya, all of whom are directors of the Company, as the lead negotiators for the terms of the Tender Offer. The reason why the Company decided to have these three directors lead the negotiations is because the Company believes that they are the most suitable directors to negotiate a higher Tender Offer price for the benefit of the general shareholders in light of their experience as investment bankers and their familiarity with the Company's business. In addition, in consideration of Mr. Akihiro Watanabe's influence within the Company due to his being the founder and representative director of the Company and a major shareholder of the Company with an ownership ratio of 8.05%, Mr. Watanabe has not been involved in the negotiations with Houlihan Lokey since the beginning of the negotiations with Houlihan Lokey, or the discussions at the Company's board of directors meetings, in order to further enhance the fairness of the negotiation process.

(IV) Approval of All Company Directors (Including Audit Committee Member) Not Having a Conflict of Interest

As described in "(1) Basis and Reasons of Determination for Approval" above, the board of directors of the Company carefully discussed and deliberated whether the Transactions, including the Tender Offer, would contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Transactions, including the Per Share TOB Price (before the Revision of TOB Terms), were appropriate, taking into account the legal advice received from Morrison & Foerster, the advice from a financial point of view and MUMSS Valuation Report received from Mitsubishi UFJ Morgan Stanley Securities, and the Plutus Valuation Report along with the Fairness Opinion

received from Plutus.

As a result, for the basis and reasons as described in “(1) Basis and Reasons of Determination for Approval” above, at a meeting of the Company’s board of directors held on August 3, 2021, the directors (including those who are members of the Audit Committee) who participated in the deliberations and the resolution unanimously expressed an opinion endorsing the Tender Offer and recommending all of the shareholders of the Company and all of the holders of the Stock Options to tender their shares and stock options in the Tender Offer.

Further, as described in “(1) Basis and Reasons of Determination for Approval” above, after recognizing the possibility of an upward revision of its earnings forecast for the current fiscal year, on August 26, 2021, the Company requested Houlihan Lokey to increase the TOB Price and the Stock Option TOB Price, and as a result of repeated negotiations, the Company reached an agreement with Houlihan Lokey on September 9, 2021 to change the TOB Price and the Stock Option TOB Price.

Thereafter, the Board of Directors of the Company once again carefully discussed and deliberated at its meeting held on September 9, 2021 whether the Transactions including the Tender Offer would contribute to the enhancement of the corporate value of the Company and whether the terms and conditions of the Transactions including the Per Share TOB Price (after the Revision of TOB Terms) were appropriate, based on the legal advice received from Morrison & Foerster as its legal advisor, the financial advice received from Mitsubishi UFJ Morgan Stanley Securities as its financial advisor, and the opinion from Plutus as its third-party appraiser stating that it is possible to maintain Fairness Opinion dated August 2, 2021 with respect to the Transaction Price after the Revision of TOB Terms, as well as the process of negotiations with Houlihan Lokey and the contents of the responses from Houlihan Lokey. As a result, the Company resolved at a meeting of its board of directors held on August 3, 2021 to maintain its endorsement of the Tender Offer and its recommendation that our shareholders and the holders of the Stock Options tender their shares and Stock Options in the Tender Offer, which was announced by the Press Release to Express Opinions, with the unanimous approval of the directors (including those who are members of the Audit Committee) who participated in the deliberations, based on the reasons described in “(1) Basis and Reasons of Determination for Approval” above.

Each of the aforementioned resolutions of the Company’s board of directors meetings was passed by the unanimous approval of all directors who participated in the deliberation, which was attended by 12 directors (including those who are members of the Audit Committee), excluding Mr. Akihiro Watanabe, the representative director, out of 13 directors of the Company. As described in (III) Establishment of an independent review

system at the Company above, Mr. Akihiro Watanabe has not been involved in the negotiations with Houlihan Lokey since the beginning of the negotiations with Houlihan Lokey or the resolutions at the aforementioned Company's board of directors meetings, in order to further enhance the fairness of the negotiation process. For each of Company's directors, including Mr. Akihiro Watanabe, there is no individual agreement between such director and Houlihan Lokey regarding their treatment post-TOB and none of the Tender Offer Support Agreements include such individual agreement. Note that Houlihan Lokey and Company agreed to grant equity compensation using Houlihan Lokey's stock to Company group's employees (whose individual identity will be determined in the future and who meet mid and long term employment requirements) as a whole, however, there is no individual agreement between any of such employees and Houlihan Lokey/Company regarding such equity compensation (for the avoidance of doubt, none of Tender Offer Support Agreement sets forth such arrangement).

(V) Measures for Securing Opportunities for the Shareholders of the Company to Tender Their Shares in the Tender Offer by the Other Offeror

Houlihan Lokey has set the Tender Offer Period at 36 business days, where the minimum period stipulated by law is 20 business days. By setting a comparatively long tender offer period of 36 business days, Houlihan Lokey secures an appropriate opportunity for the shareholders of the Company to make a decision in regard to tendering shares in response to the Tender Offer, considering the pros and cons of the Transactions and the appropriateness of the TOB Price and the Stock Option TOB Price, while also securing an opportunity for parties other than Houlihan Lokey to make counter-offers, and the Company ensures the fairness of the Tender Offer. As described in "(I) Transaction Agreement" in "4. Material Agreements Concerning the Tender Offer" of the Press Release to Express Opinions, the Company is obliged to maintain an endorsement opinion on the Tender Offer. However, if a competing proposal is received from a third party without active solicitation by the Company, the Company's Board of Directors may discuss and negotiate with the third party that made the competing proposal and further change or withdraw its affirmative opinion on the Tender Offer, if the board of directors of the Company deems it necessary to comply with the directors' duty of care based on the advice of the Company's legal advisors. The Company has taken care to ensure the fairness of the Tender Offer by securing opportunities for takeover bids by parties other than Houlihan Lokey in this manner. In addition, as described in "(II) Tender Offer Support Agreement" in "4. Material Agreements Concerning the Tender Offer" of the Press Release to Express Opinions, the Tendering Directors are required to tender the Company's shares and stock options in the Tender Offer. However, if the Board of Directors of the Company changes or withdraws its opinion in favor of the Tender Offer, the directors may withdraw such tender and tender the Company's shares and stock

options in the Competing Proposal.

(VI) Setting of Minimum Number to Satisfy the Majority-of-Minority Condition

As described in “(I) Overview of this Tender Offer” in “(2) Basis and Reasons for Opinion Concerning Tender Offer” of “3. Contents, Basis and Reasons of Opinion Concerning Tender Offer” of the Press Release to Express Opinions, in the Tender Offer, the “Minimum Number of Shares to Be Purchased” (32,921,900 shares; ownership ratio is 66.67%) exceeds the sum of: (a) the so-called “majority of minority” (i.e., 19,571,315 shares; ownership ratio is 39.63%), which means the majority of the number of shares of the Company held by the Company's shareholders who do not have an interest in Houlihan Lokey, which is 39,142,628 shares, calculated as equal to the sum of: (i) the Total Number of Shares After Taking Potential Shares of the Company Into Consideration (49,382,808 shares) minus (ii) the aggregate number of Tendering Directors' Shares, Etc. (10,240,180 shares); plus (b) the aggregate number of Tendering Directors' Shares, Etc. (10,240,180 shares; ownership ratio is 20.74%); for the clarity, resulting in the sum of (a) plus (b) equal to 29,811,495 shares (ownership ratio 60.37%). Houlihan Lokey believes that the Tender Offer respects the decision of the minority shareholders of the Company because the Tender Offer will not be consummated unless the Tender Offer is supported by the majority of the shareholders of the Company who do not have an interest in Houlihan Lokey.

(VII) Measures to ensure that shareholders of the Company have an opportunity to make an appropriate decision on whether or not to tender their shares in the Tender Offer

As described in “(5) Policy of Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” of “3. Contents, Basis and Reasons of Opinion Concerning Tender Offer” of the Press Release to Express Opinions, Houlihan Lokey plans to (i) make a demand for the sale of all of the Shares (excluding the Shares owned by Houlihan Lokey and the Company's treasury shares) and all of the Stock Options promptly after the completion of the settlement of the Tender Offer, or (ii) request the Company to hold the Extraordinary Shareholders' Meeting, which will include reverse stock split and the partial amendment to the Articles of Incorporation to abolish the provision of the number of shares constituting one unit of stock as a condition for the reverse stock split to take effect, as agenda items, in accordance with the number of shares to be acquired by Houlihan Lokey upon completion of the Tender Offer. Houlihan Lokey will not adopt any method that does not ensure that the shareholders of the Company have the right to request the purchase of shares or the right to request a price fixing. In addition, the amount of money to be delivered to the shareholders of the Company as consideration in the event of a Share Sale Demand or the reverse stock split will be calculated to be the same as the Per Share TOB Price multiplied by the number

of shares of the Company held by each such shareholder. If cash is to be delivered to the holders of the Stock Options of the Company as consideration, the price shall be calculated to be the same as the Stock Option TOB Price multiplied by the number of Stock Options held by the holders of the Stock Options. Thus, Houlihan Lokey has ensured that the shareholders and the holders of the Stock Options of the Company have an opportunity to make an appropriate decision on whether or not to tender their shares in the Tender Offer, and has taken care not to create any coercion by doing so.

4. Future Outlook

The schedule, policies, plans, etc. of the Company's management structure after the decision by the Company to approve the Demand for Share Cash-Out will be discussed and considered by and between Houlihan Lokey and the Company.

5. Matters Concerning Transactions, Etc. with Controlling Shareholder

(1) Applicability of transactions, etc. with the controlling shareholder and compliance with the guidelines on measures to protect minority shareholders

Since Houlihan Lokey is the controlling shareholder of the Company, the approval of the Demand for Share Cash-Out constitutes a material transaction, etc. with a controlling shareholder. The "Guidelines Concerning Policy for Protection of Minority Shareholders in Conducting Transactions, Etc. with Controlling Shareholder" as stated in the Corporate Governance Report disclosed by the Company on October 11, 2021 are as follows.

"As a listed company, the Company needs to ensure independence so that minority shareholders other than the parent company are not disadvantaged. For this reason, it is the Company's policy that, when conducting transactions, etc. with Houlihan Lokey, Inc., its parent company, the Company shall sufficiently confirm the necessity of such transactions, etc. and whether the conditions of such transactions, etc. are equivalent to the conditions of ordinary transactions with third parties, and shall take appropriate measures to avoid any disadvantage to minority shareholders."

With respect to the Transactions including the Tender Offer and the Demand for Share Cash-Out, as described in "(4) Measures for Ensuring the Fairness and Avoiding Conflicts of Interest" of "3. Basis and Reasons, Etc. of Determination for Approval of Demand for Share Cash-Out" above, the Company (i) has obtained a share valuation report and the Fairness Opinion from a third-party appraiser independent of the Company, Houlihan Lokey and the Tendering Directors (On September 8, 2021, the Company also obtained an opinion dated August 8, 2021 stating that the Fairness Opinion dated August 2, 2021 can be maintained with respect to the Transaction Price after the Revision of TOB Terms); (ii) has received advice from a law firm independent of the Company, Houlihan Lokey and the Tendering Directors; (iii) has established a system within the Company to examine, negotiate and make decisions regarding the Transactions from the perspective of enhancing the corporate value of the Company and securing the interests of the Company's general shareholders, from a standpoint independent of Houlihan Lokey; and (iv) has obtained the approval from all of the directors (including those who are members of the Audit Committee) who have no vested interest in the

Company, and therefore, the Company believes that it has sufficiently secured independence from the controlling shareholder in its decision making, and that it complies with the above-mentioned guidelines.

(2) Matters Concerning Measures for Ensuring the Fairness and Measures for Avoiding Conflicts of Interest

Please refer to “(4) Measures for Ensuring the Fairness and Avoiding Conflicts of Interest” of “3. Basis and Reasons, Etc. of Determination for Approval of Demand for Share Cash-Out” above.

(3) Outline of Opinions Obtained from Person Not Having Interest in the Controlling Shareholder that Transaction, Etc. is not Disadvantageous to Minority Shareholders

The Company obtained on August 2, 2021 from Plutus as a third-party appraiser independent of the Company, Houlihan Lokey and the Tendering Directors an opinion to the effect that the Transaction Price (before the Revision of TOB Terms) for the Transactions, including the Tender Offer (including the Company’s endorsement and recommendation for tendering shares, etc.) and the Demand for Share Cash-Out, is not disadvantageous and is fair to the Company’s minority shareholders from a financial point of view (the Fairness Opinion). Further, the Company received on September 8, 2021 an opinion from Plutus to the effect that it is possible to maintain the Fairness Opinion dated August 2, 2021 with respect to the Transaction Price after the Revision of TOB Terms. For details, please see “(I) Procuring Share Valuation Reports and Fairness Opinion from Independent Third-Party Valuation Agencies by the Company” of “(4) Measures for Ensuring the Fairness and Avoiding Conflicts of Interest” of “3. Basis and Reasons, Etc. of Determination for Approval of Demand for Share Cash-Out” above. Since the Fairness Opinion, etc. relates to the Transactions including the Demand for Share Cash-Out, the Company has not obtained another opinion from a person who does not have an interest in the controlling shareholder for the approval of the Demand for Share Cash-Out.

End